

QUARTERLY REPORT

LICENSEE ADAMAR OF NEW JERSEY, INC.
TROPICANA CASINO & RESORT

FOR THE QUARTER ENDED JUNE 30, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

BALANCE SHEETS

AS OF JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 19,615	\$ 18,574
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2001, \$17,389 ; 2000, \$17,007).....	16,294	17,661
4	Inventories.....	3,471	2,928
5	Prepaid Expenses and Other Current Assets.....	13,704	12,296
6	Total Current Assets.....	53,084	51,459
7	Investments, Advances, and Receivables..... (Note 4,5).....	22,586	43,158
8	Property and Equipment - Gross..... (Note 2).....	742,980	721,254
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(201,589)	(183,723)
10	Property and Equipment - Net..... (Note 2).....	541,391	537,531
11	Other Assets.....	15,831	15,804
12	Total Assets.....	\$ 632,892	\$ 647,952
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,926	\$ 8,567
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3).....	631	1,998
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	21,813	22,231
19	Other Current Liabilities.....	6,972	4,684
20	Total Current Liabilities.....	35,342	37,480
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3,5).....	448,041	475,041
22	Other..... (Note 3).....	674	1,292
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 5).....	20,402	5,046
25	Commitments and Contingencies..... (Note 4).....	0	0
26	Total Liabilities.....	504,459	518,859
27	Stockholder's, Partners', or Proprietor's Equity.....	128,433	129,093
28	Total Liabilities and Equity.....	\$ 632,892	\$ 647,952

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 197,715	\$ 208,494
2	Rooms.....	22,171	21,495
3	Food and Beverage.....	24,241	25,826
4	Other.....	6,098	6,687
5	Total Revenue.....	250,225	262,502
6	Less: Promotional Allowances.....	28,548	30,936
7	Net Revenue.....	221,677	231,566
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	118,445	120,542
9	Selling, General, and Administrative... (Note 5).....	46,501	54,623
10	Provision for Doubtful Accounts.....	1,395	1,825
11	Total Costs and Expenses.....	166,341	176,990
12	Gross Operating Profit.....	55,336	54,576
13	Depreciation and Amortization.....	12,476	12,318
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	16,800	16,767
15	Other.....	0	0
16	Income (Loss) from Operations.....	26,060	25,491
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(26,375)	(18,755)
18	Interest (Expense) - External..... (Note 3).....	(65)	(364)
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	(688)	(1,006)
20	Nonoperating Income (Expense) - Net	(1,709)	(1,779)
21	Total Other Income (Expenses).....	(28,837)	(21,904)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(2,777)	3,587
23	Provision (Credit) for Income Taxes... ..	(1,681)	(1,906)
24	Income (Loss) Before Extraordinary Items.....	(1,096)	5,493
25	Extraordinary Items (Net of Income Taxes - 2001, \$0 ; 2000, \$0)	0	0
26	Net Income (Loss).....	\$ (1,096)	\$ 5,493

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 100,939	\$ 108,184
2	Rooms.....	11,855	11,396
3	Food and Beverage.....	12,188	12,803
4	Other.....	3,166	3,564
5	Total Revenue.....	128,148	135,947
6	Less: Promotional Allowances.....	14,274	15,019
7	Net Revenue.....	113,874	120,928
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	58,013	61,440
9	Selling, General, and Administrative... (Note 5).....	23,729	28,252
10	Provision for Doubtful Accounts.....	779	959
11	Total Costs and Expenses.....	82,521	90,651
12	Gross Operating Profit.....	31,353	30,277
13	Depreciation and Amortization.....	6,213	6,107
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	7,359	7,500
15	Other.....	0	0
16	Income (Loss) from Operations.....	17,781	16,670
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,187)	(10,264)
18	Interest (Expense) - External..... (Note 3).....	(31)	(51)
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	(358)	(575)
20	Nonoperating Income (Expense) - Net.....	(877)	(968)
21	Total Other Income (Expenses).....	(14,453)	(11,858)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	3,328	4,812
23	Provision (Credit) for Income Taxes.....	2,066	(1,591)
24	Income (Loss) Before Extraordinary Items.....	1,262	6,403
25	Extraordinary Items (Net of Income Taxes - 2001, \$0 ; 2000, \$0)	0	0
26	Net Income (Loss).....	\$ 1,262	\$ 6,403

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADE NAME OF LICENSEE TROPICANA CASINO AND RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000 AND THE SIX MONTHS ENDED JUNE 30, 2001

(UNAUDITED)
(\$ IN THOUSAND)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1999	100	\$ 1	0	\$ 0	\$ 325,390	\$ 0	\$ 49,209	\$ 374,600
2	Net Income (Loss) - 2000							5,929	5,929
3	Contribution to Paid-in-Capital								
4	Dividends (Note 7)					(198,319)		(52,681)	(251,000)
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 2000	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 2,457	\$ 129,529
11	Net Income (Loss) - 2001							(1,096)	(1,096)
12	Contribution to Paid-in -Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, June 30, 2001	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 1,361	\$ 128,433

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 20,721	\$ 23,860
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(19,644)	(3,822)
5	Proceeds from Disposition of Property and Equipment.....	20	21
6	Purchase of Casino Reinvestment Obligations.....	(2,504)	(2,636)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	835	38,077
9	Cash Outflows to Acquire Business Entities.....		
10		
11		
12	Net Cash Provided (Used) By Investing Activities.....	(21,293)	31,640
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt..... (Note 3,5).....	0	192,000
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(481)	(1,910)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals..... (Note 5).....	0	(251,000)
21		
22		
23	Net Cash Provided (Used) By Financing Activities.....	(481)	(60,910)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,053)	(5,410)
25	Cash and Cash Equivalents at Beginning of Period.....	20,668	23,984
26	Cash and Cash Equivalents at End of Period.....	\$ 19,615	\$ 18,574
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 17,065	\$ 364
28	Income Taxes.....	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (1,096)	\$ 5,493
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	12,313	12,154
31	Amortization of Other Assets.....	163	164
32	Amortization of Debt Discount or Premium.....		
33	Deferred Income Taxes - Current.....		
34	Deferred Income Taxes - Noncurrent.....	(1,681)	(1,906)
35	(Gain) Loss on Disposition of Property and Equipment.....	(18)	7
36	(Gain) Loss on Casino Reinvestment Obligations.....	606	1,006
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	804	128
39	Net (Increase) Decrease in Inventories.....	(153)	232
40	Net (Increase) Decrease in Other Current Assets.....	(1,830)	(979)
41	Net (Increase) Decrease in Other Assets.....	194	88
42	Net Increase (Decrease) in Accounts Payable.....	(2,092)	1,082
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	3,972	3,968
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	9,539	2,423
45	Extraordinary items (net of tax).....		
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 20,721	\$ 23,860

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (19,644)	\$ (3,822)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (19,644)	\$ (3,822)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

The company incurred an intercompany payable in exchange for assets from the parent company in the amount of \$2,189.

TRADING NAME OF LICENSEE

TROPICANA CASINO AND RESORT

Amended

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

revised 09/30/02

FOR THE SIX MONTHS ENDED JUNE 30, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	155,849	\$ 11,846	0	\$ 0
2	Food	1,092,342	10,706	8,331	82
3	Beverage	3,343,721	4,033	0	0
4	Travel	0	0	7,860	2,751
5	Bus Program Cash	372,345	6,377	0	0
6	Other Cash Complimentaries	494,345	10,559	0	0
7	Entertainment	32,299	82	19,067	381
8	Retail & Non-Cash Gifts	0	0	0	0
9	Parking	0	0	0	0
10	Other	331,270	1,881	172,114	638
11	Total	5,822,171	\$ 45,484	207,372	\$ 3,852

FOR THE THREE MONTHS ENDED JUNE 30, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	69,078	\$ 5,793	0	\$ 0
2	Food	554,544	5,435	3,947	39
3	Beverage	1,688,693	2,066	0	0
4	Travel	0	0	4,275	1,496
5	Bus Program Cash	199,016	3,150	0	0
6	Other Cash Complimentaries	250,513	5,598	0	0
7	Entertainment	12,513	41	12,876	257
8	Retail & Non-Cash Gifts	0	0	0	0
9	Parking	0	0	0	0
10	Other	165,500	939	80,631	312
11	Total	2,939,857	\$ 23,022	101,729	\$ 2,104

** There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2000.

The specific footnotes not presented are the Summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 2000 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At June 30, 2001 and 2000, the components of Property and Equipment consisted of:

	<u>2001</u>	<u>2000</u>
Land and land improvements	\$ 51,237,000	\$ 51,091,000
Building and improvements	554,563,000	551,058,000
Furniture, fixtures and equipment	116,866,000	108,041,000
Leased personal property	5,113,000	7,418,000
Construction in progress	<u>15,201,000</u>	<u>3,646,000</u>
Total property and equipment-gross	742,980,000	721,254,000
Accumulated depreciation	<u>(201,589,000)</u>	<u>(183,723,000)</u>
Total property and equipment	\$ 541,391,000	\$ 537,531,000
	=====	=====

NOTE 3. LONG-TERM DEBT

At June 30, 2001 and 2000, Long-Term Debt consisted of:

Due to Affiliates:	<u>2001</u>	<u>2000</u>
Notes Payable - Aztar Corporation; 12.0% due 2004	\$ 448,041,000	\$ 475,041,000
Long-term debt due to affiliates	448,041,000	475,041,000
Obligations under capital leases	<u>1,305,000</u>	<u>3,290,000</u>
Total Affiliates and Other	449,346,000	478,331,000
Less: current portion	<u>(631,000)</u>	<u>(1,998,000)</u>
Total long-term debt	\$ 448,715,000	\$ 476,333,000
	=====	=====

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004 (See Note 5. Related Parties). On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 14 to 47 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2001 and 2000, respectively, was \$2,504,000 and \$2,636,000 for the purchase of CRDA bonds. The Company recorded a loss provision for 2001 and 2000 of \$606,000 and \$1,006,000, respectively. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on June 30, 2001.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$24,500,000 in funding for this

project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of June 30, 2001, the Company received approximately \$22,142,000 in funding from the CRDA under this agreement and had approximately \$257,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

NOTE 5. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the period ended June 30, 2001 and 2000, Aztar charged the Company a management fee of \$16,800,000 and \$16,767,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at June 30, 2001 and 2000 are:

	<u>2001</u>	<u>2000</u>
Due to Aztar Corporation	\$ 14,613,000	\$ -
Due to Ramada New Jersey, Inc.	87,000	873,000
Due to Adamar Garage Corporation	5,514,000	3,706,000
Due to Atlantic Deauville, Inc.	78,000	467,000
Due to Tropicana West	<u>110,000</u>	<u>-</u>
	\$ 20,402,000	\$ 5,046,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at June 30, 2001 and 2000 are:

	<u>2001</u>	<u>2000</u>
Due from Aztar Corporation	\$ -	\$ 22,367,000
Advances to Tropicana West	<u>-</u>	<u>135,000</u>
	\$ -	\$ 22,502,000
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at June 30, 2001 and 2000 are:

<u>PAYEE</u>	<u>2001</u>	<u>2000</u>
Aztar Corporation	\$ 448,041,000	\$ 475,041,000

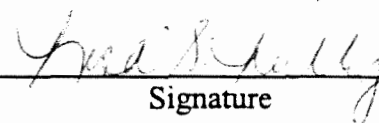
On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004. The Company also received payment from Aztar of \$59,000,000 which was applied against the net intercompany receivable. The Company then paid a dividend to Ramada New Jersey Holdings Corporation to the extent of Retained Earnings at June 1, 2000, of \$52,681,000 and a return of capital of \$198,319,000 for a total of \$251,000,000. On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

For the six months ended June 30, 2001 and 2000 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2001</u>	<u>2000</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 3,000	\$ 4,000
Property insurance	<u>317,000</u>	<u>305,000</u>
	<u>320,000</u>	<u>309,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	163,000	164,000
Executive deferred compensation plan	12,000	15,000
Claims	18,000	17,000
Professional services	<u>7,000</u>	<u>20,000</u>
	<u>200,000</u>	<u>216,000</u>
Total	\$ 520,000	\$ 525,000
	=====	=====

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

CONTROLLER

Title

005939-11

License Number

On Behalf of:

TROPICANA CASINO & RESORT

Casino Licensee